

**Members Present:**

Lung Chiu (*Chairman*)  
Elise Ryan (*Committee Member*)  
Bridget Subramanya (*Committee Member*)  
Marge Herzog (*Committee Member*)  
Cheryl Miller (*Committee Member*)

**Absent:**

Councilman Ryan Liang (*Town Councilman - FAAC Liaison*)

**Others Attending:**

Frank Spence, Town Manager  
Holly Hugdahl, Finance Director  
Cindy Corum, Assistant Town Clerk  
Terry Morton, Town Auditor with Nowlen, Holt & Miner  
Councilman Ron Jarriel, standing in as Liaison for Councilman Liang

Members of the Public – Councilman Jim Rockett, LGWCD Board Member John Ryan, Doreen Baxter

**1. Opening**

Chairman Lung Chiu called the meeting to order at 7:05 pm

**2. Roll Call**

Roll call was taken by Assistant Town Clerk Cindy Corum and a quorum was met.

**3. Approval of Agenda**

***MOTION: Marge Herzog made a motion to approve the agenda; Bridget Subramanya seconded the motion. Motion passed by voice vote 5-0.***

**4. Presentations – Update on status of Town Audit by**

**Terry Morton, Auditor with Nowlen, Holt & Miner, P.A.**

Terry Morton presented the Committee with the Management Letter from his audit firm. There were three comments in the management letter: The first was a carryover from previous years and was in reference to the fact that there has not been an Accounting Policies and Procedures Manual formally approved by the Town yet. The second item dealt with cash disbursements. Mr. Morton pointed out that Town policy had required that checks over \$10,000 be signed by two Council Members, but most of the checks had routinely been signed by Town Staff. The third comment dealt with the Town's investment policy. Mr. Morton explained that some of the Town's investments were not in accordance with the Town's own investment policy. He added that subsequent to the (fiscal) year end, the current Town Manager did terminate those investments and put the funds into accounts that were in accordance with the Town's investment policy. The detail line items showed that an expense would be put under one account one month, but the same expense might be put under a different account number the next month. He recommended consistency.

The other recommendation was that credit card receipts should be kept with the credit card bills and not filed separately. Town Manager, Frank Spence said he had a concern because the issues cited in the Management Letter had occurred under the prior administration. He said he intended to attach a letter in his Manager's Response clarifying that point.

**5. Approval of 3-10-10 and 4-14-10 FAAC Meeting Minutes**

Committee member Elise Ryan pointed out a minor error in the 3-10-10 minutes.

**MOTION: Committee member Marge Herzog made a motion to approve the 3-10-10 minutes with the correction, seconded by Cheryl Miller. Motion passed 5-0.**

**MOTION: Committee member Marge Herzog made a motion to approve the 4-14-10 minutes, seconded by Cheryl Miller. Motion passed 5-0.**

**6. Selection of Vice Chair**

**MOTION: Committee member Marge Herzog made a motion to nominate Elise Ryan for Vice Chair, seconded by Bridget Subramanya. Motion passed 5-0.**

**7. March 2010 Financials**

At the onset, the discussion centered mostly on the upcoming FY 2010-2011 budget. Town Manager Frank Spence updated the Committee on different aspects of the Town's revenue and spending. Mr. Spence said Town accountant, Holly Hugdahl and himself were in concurrence that no budget amendment was needed for the current year. He pointed out that this would have to be done by ordinance and the cost of the legal ad alone runs \$750. Chairman Chiu recommended a written inventory list of office assets be created. The list should include serial numbers of items such as computer hardware, printers, phone equipment etc. There was some discussion about the best method to account for the Census expenses. Mr. Spence said that all Census expenses could be charged to the Contingency account as this was an unanticipated expenditure authorized by Council. Mrs. Ryan pointed out a coding error in which a \$65K check written to the Loxahatchee Groves Water Control District was charged to Solid Waste fees. A discussion ensued about the checks and balances of the account coding process. Committee member Marge Herzog asked several questions about the water franchise fee revenue, road fund surplus and the communications service tax. Mrs. Hugdahl mentioned that Jim Fleishman of Land Research Management had kept detailed records and it was discovered the Town was owed more money from the developers' escrow accounts than previous staff had collected. Mr. Spence noted that attorney time spent on the development projects had not previously been billed back to the applicants. He stated that he was now keeping track of the legal expenses related to the projects and these fees would now come out of the escrow accounts instead of the general account.

**MOTION: Marge Herzog made a motion to approve the March April 2010 financials; seconded by Bridget Subramanya. Motion passed 5-0.**

**8. April 2010 Financials**

***(Approved along with March financials above)***

**9. Review of Code Enforcement RFP**

There was discussion on what criteria to require in the code enforcement RFP as far as applicant's insurance coverage. Mrs. Hugdahl pointed out that heavy insurance requirements basically eliminate individuals from applying. Committee member Bridgette Subramanya said the specs in the current code RFP were prepared by the previous bidders (Calvin-Giordano) and she recommended the 18 page RFP be re-written by current management. It was also suggested the RFP be shortened and streamlined.

**10. Review of Vegetative Hauling RFP**

Mr. Spence said the Vegetative Hauling RFP had already been advertised in the Town Crier. Included in the agenda material was the Hauler Agreement from the previous year for the committee to review.

**11. Contract Monitoring Spreadsheet**

The new Contract Monitoring Spreadsheet created in Excel format by resident Doreen Baxter was presented, and the committee members commented on a job well done. Mrs. Hugdahl said the monetary obligations still needed to be added for about four or five of the contracts which receive payment draws based on progress. Chairman Chiu said that the spreadsheet should be updated each month to reflect payments made so Council would have an accurate picture of how much the Town was still committed for. Mrs. Hugdahl recommended creating a separate sheet for those few contracts.

**12. Preliminary Review of FY 2011 Sanitation/Waste Assessment**

Mr. Spence proposed setting up a separate enterprise fund for sanitation to reflect various related costs. He recommended adjusting the FY 2010-2011 SWA assessment rate to reflect these costs. He reported that Garbage Monitor Frank Schiola had found approximately 25 parcels which were not paying the SWA assessment and these parcel owners had been sent separate bills. There was discussion about which costs should be included in the enterprise fund and what, if anything, should come out of the general fund. A lengthy discussion followed regarding the number of parcels billed and whether that number was accurate or not. Chairman Chiu said: "The funds are either coming from your left or your right pocket. From your left pocket, the fees go up; from your right pocket, the general fund will have to pitch in." He stated he would not like to see an assessment increase on the tax bill as it was not a good time to raise taxes. He also pointed out that the Town has a surplus in the general fund. Mr. Spence said he would rework the figures and come back at next meeting with revised numbers. Doreen Baxter asked how many properties took advantage of the Bulk Vegetative pick-up last year. Assistant Clerk, Cindy Corum replied that it was less than 10% of the parcels. Mrs. Baxter commented that maybe we did not need to repeat this program year after year.

**13. TRIM Timetable Report for FY 2011 Budget**

Mr. Spence explained the timetable for setting the tentative millage rate. Mrs. Hugdahl said she will be attending the Dept. of Revenue TRIM workshop in West Palm Beach on July 11<sup>th</sup>.

**14. Status Report of Lobbyist Debt**

Mr. Spence gave an update on the civil suit against the former Town lobbyist. Ms. Brosemer had been served court papers. He said he also filed ethics charges with the State Ethics Committee.

**15. Discussion of Posting Financial Info on Town Website**

Mrs. Ryan asked this item be postponed until next meeting due to the lateness of the hour.

**16. Punch List Review**

The Committee commented that the new Excel format for the punch list looked great. There were a few questions on particular items which were answered by Mrs. Hugdahl, Mr. Spence and Ms. Corum. Chairman Chiu expressed his wish that companies be pre-qualified for such things as engineering services. He stressed he did not feel it was correct to assign expensive contracts last minute to the same company again and again. He felt the Town should ask for RFQs from different firms and keep their qualifications on file. Mr. Spence stated that one reason Calvin-Giordano ended up with multiple contracts from the Town was because they were an active participant and already involved in the Town's lawsuit with Callery-Judge Groves.

**17. Addendum items**

None

**18. New Business**

(Next agenda should include 'Posting financial info on Town website' as requested by Mrs. Ryan)

**19. Setting of Next meeting time and Date**

Next meeting date was set for June 9<sup>th</sup> at 7pm at Palms West Hospital

**20. Committee and Public Comments**

Committee members complimented Doreen Baxter on doing an excellent job on the new spreadsheets.

**MOTION: Motion to adjourn was made by Marge Herzog; seconded by Elise Ryan.  
Meeting adjourned at 9:15**

ATTEST:

  
Cindy Lou Corum, Asst. Town Clerk

  
Lung Chiu, Chairman, FAAC Cmte

8-23-10  
Date Signed

6-9-2010  
Date Approved by FAAC